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December 20, 2002

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Zone, Reservoir A; Cotton Valley Formation,
Reservoir A; and Lower Cotton Valley Zone,
Reservoir A; ELM GROVE FIELD, Bossier Parish,
Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Zone, Reservoir A; to the Cotton Valley Formation, Reservoir A; and to the Lower Cotton Valley Zone, Reservoir A; in the Elm Grove Field, Bossier Parish, Louisiana:

1. To permit Applicant to drill, designate and utilize an additional alternate unit well for HOSS RA SU17, at the location shown on an attached plat.
2. To permit Applicant to drill, designate and utilize three (3) alternate unit wells for HOSS RA SU20, at the locations shown on an attached plat.
3. To permit Applicant to drill, designate and utilize an additional alternate unit well for CV RA SU17, at the location shown on an attached plat.
4. To permit Applicant to drill, designate and utilize three (3) alternate unit wells for CV RA SU20, at the locations shown on an attached plat.
5. To permit Applicant to drill, designate and utilize an additional alternate unit well for LCV RA SU54, at the location shown on an attached plat.
6. To permit Applicant to drill, designate and utilize three (3) alternate unit wells for LCV RA SUH, at the locations shown on an attached plat.
7. To permit the drilling of each of the proposed wells at the location shown on attached plats or at any legal location within the unit on which it is proposed to be drilled.
8. To approve exceptions to the well location provisions of Office of Conservation Order No. 361-A-1, effective October 1, 1972 (applicable to the Hosston Zone, Reservoir A), Office

of Conservation Order No. 361-B, effective October 1, 1973 (applicable to the Cotton Valley Formation, Reservoir A), and Office of Conservation Order No. 361-E, effective July 16, 1996 (applicable to the Lower Cotton Valley Zone, Reservoir A), for any of the proposed wells, the location of which, as shown on attached plats, does not comply with the well location provisions in said Orders.

9. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.

10. To discuss such other matters as may be pertinent to this application.

The Hosston Zone, Reservoir A, in the Elm Grove Field, Caddo, Webster and Bossier Parishes, Louisiana, is defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo, Webster and Bossier Parishes, Louisiana, is defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and Office of Conservation Order No. 361-B-6, effective May 24, 1978.

The Lower Cotton Valley Zone, Reservoir A, in the Elm Grove Field, Caddo, Webster and Bossier Parishes, Louisiana, is defined in Office of Conservation Order No. 361-E, effective July 16, 1996.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 4520 Jamestown Avenue, Suite 6, Baton Rouge, Louisiana 70808. Any person wishing to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party. Any questions related to the location of any of the proposed wells should be directed to Ms. Janet Sanford at J-W Operating Company (972) 233-8191.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

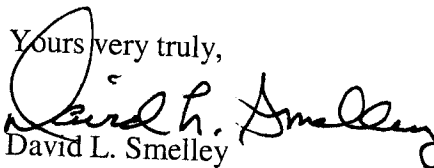
Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of each of the three (3) attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plats at a prominent place in the area affected and will cause publication of the Legal

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Notice in a newspaper published in the general area of Elm Grove Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

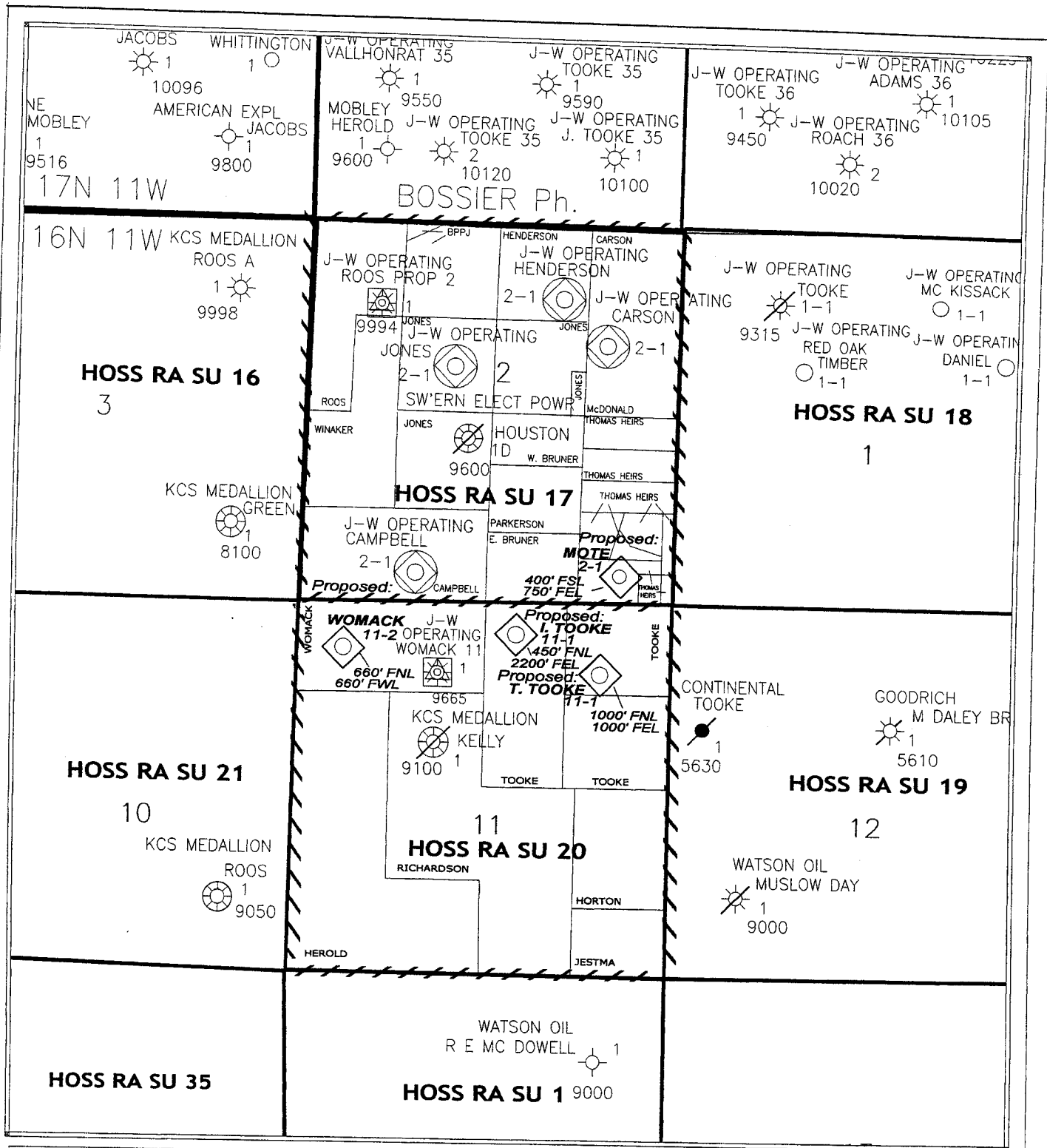
Finally, we enclose a check payable to the Commissioner of Conservation for the application fee.

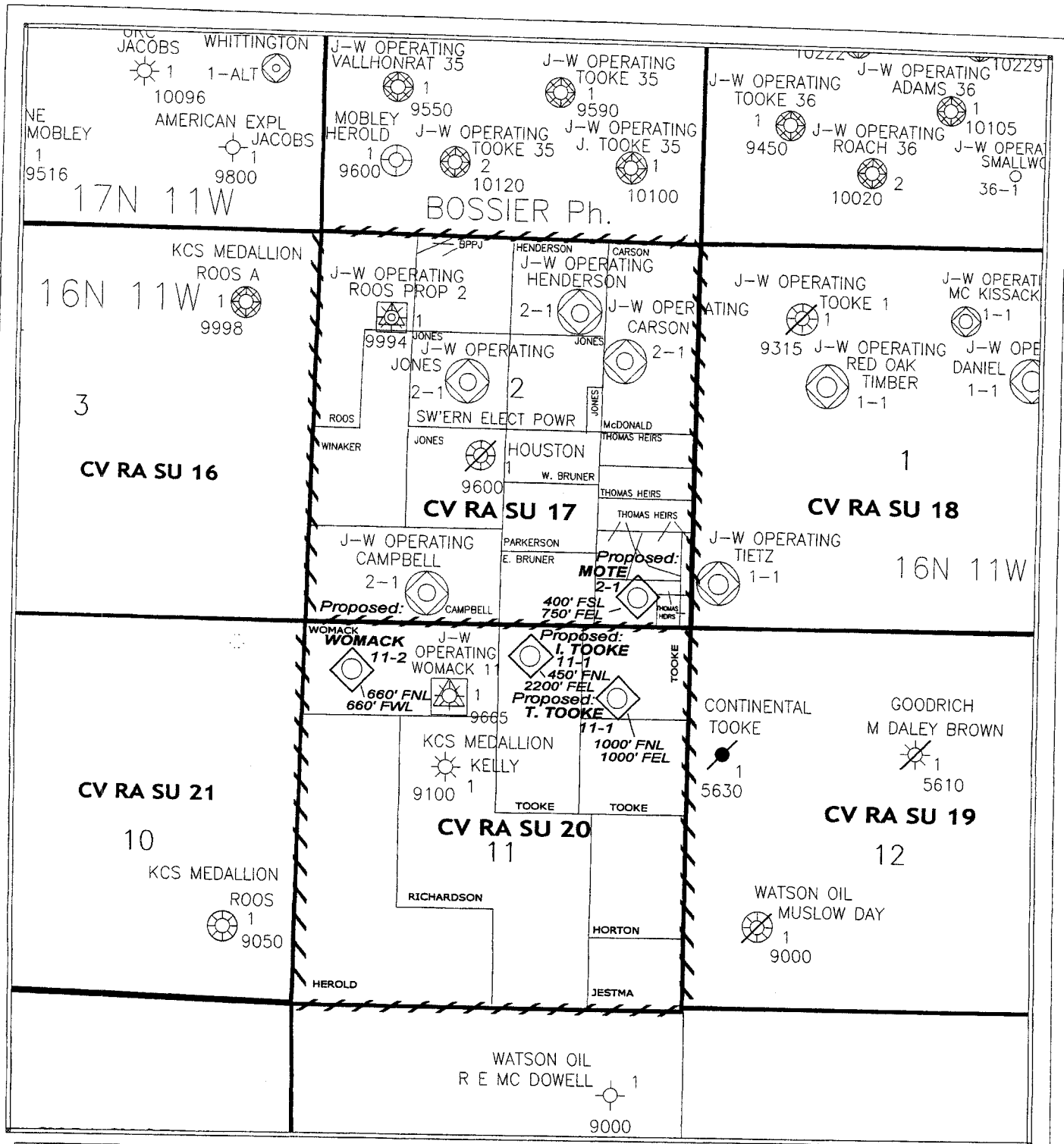
Yours very truly,

David L. Smelley

-- Attorney for J-W Operating Company

DLS:dp
Enclosures

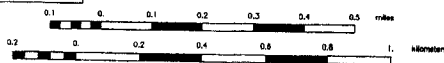
cc: Mr. Jim Broussard (w/encls.)
Mr. Dave Williams (w/encls.)
Ms. Janet Sanford (w/encls.)
Mr. Joe B. Adams (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)





LEGEND

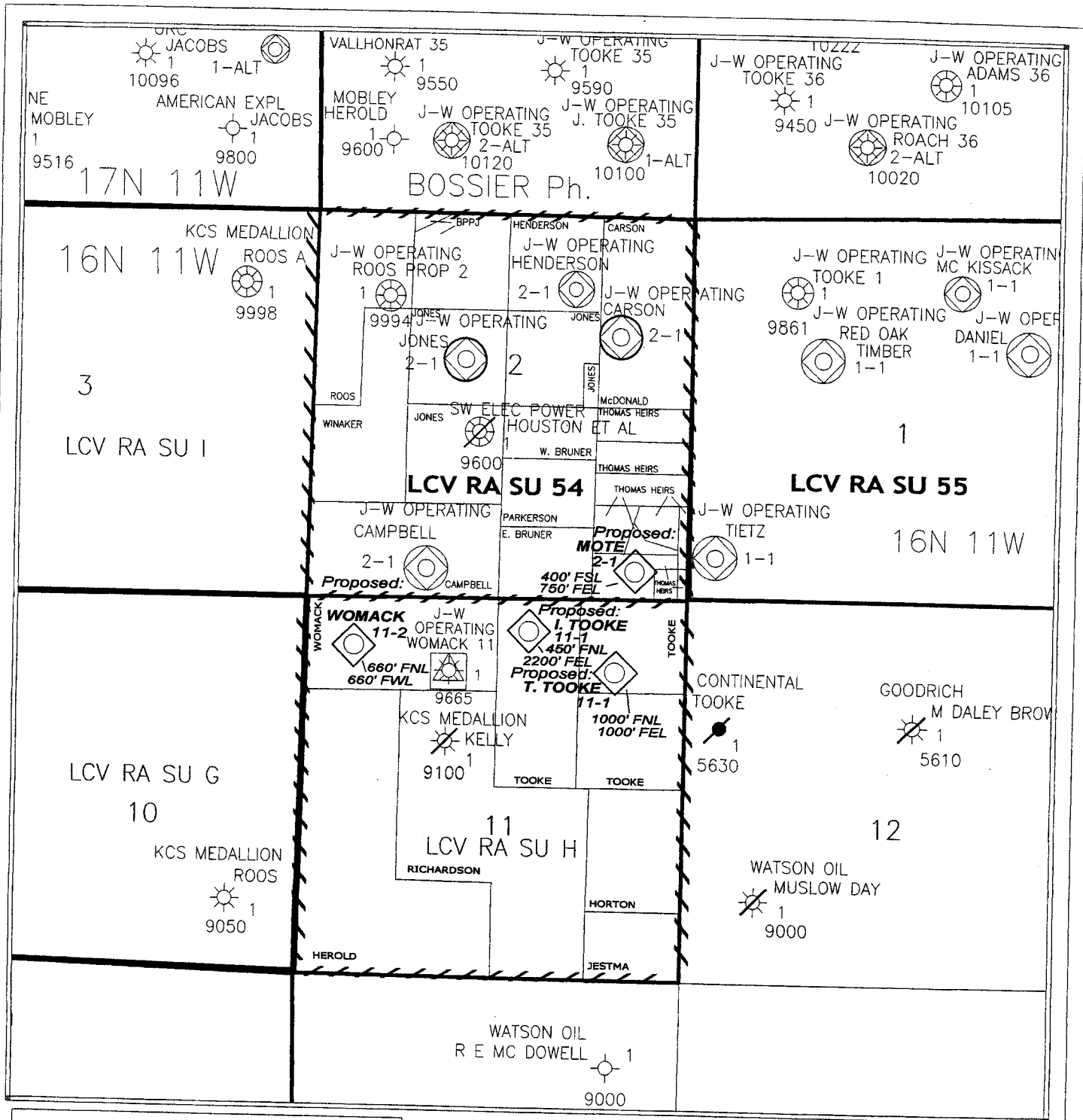
- Existing Units, 361-B series
- ◊ Proposed Alternate Unit Well
- ⊙ Unit Well
- ⊙ Approved Alternate Unit Well
- ⊙ Substitute Unit Well
- Posted Wells > 8300'



J - W OPERATING COMPANY

Unit Plat - Cotton Valley Formation
Reservoir "A", Elm Grove Field
Bossier Parish, Louisiana

| | | |
|-----------|--------------------|------------|
| DATE: | Witness: Joe Adams | Docket No. |
| Exhibit 1 | 1" = 2000' | 02-??? |



LEGEND

- Existing Units, 361-E series
- ◇ Proposed Alternate Unit Well
- ⊙ Unit Well
- ⊗ Approved Alternate Unit Well
- ⊠ Substitute Unit Well
- Posted Wells > 8300'

J - W OPERATING COMPANY

Unit Plat - L. Cotton Valley Formation
Reservoir "A", Elm Grove Field
Bossier Parish, Louisiana

| | | |
|-----------|--------------------|------------|
| DATE: | Witness: Joe Adams | Docket No. |
| Exhibit 1 | 1" = 2000' | 02-??? |

